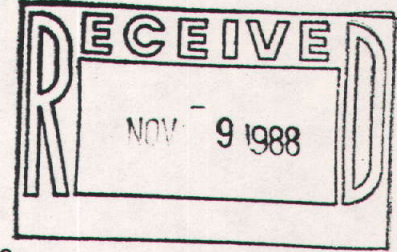




Norman H. Bangarter
Governor
Dee C. Hansen
Executive Director
Robert L. Morgan
State Engineer

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

1636 West North Temple, Suite 220
Salt Lake City, Utah 84116-3156
801-538-7240



November 8, 1988

Tenneco Minerals Co.
P.O. Box 2650
St. George, UT 84770

Re: Regulating Reservoir Applications - 88R195, 88R196, 88R197, 88R198

Gentlemen:

We have approved the above-referenced applications subject to the following conditions. In the case of Application 88R195, this letter will also serve as official notice of our waiver of the need for plans and specifications, pursuant to Section 73-5-5 of the Utah Code Annotated 1953.

1. Any storage of water in the reservoirs created is subject to all vested water rights in your area.
2. All design and construction activities undertaken shall be commensurate with state-of-the-art standards.
3. Notification of the inspector and contractor for the projects shall be submitted to this office prior to the beginning of any construction.
4. All inspector's journals and results of material testing performed during construction should be submitted to this office.

Copies of your approved applications are included for your future reference. If you have any questions or need further clarification, please feel free to contact me or Gerald Stoker of our Cedar area office.

Sincerely,

Richard B. Hall, P.E.
Directing Dam Safety Engineer

RBH/cp

cc: Gerald Stoker, Cedar Area Engineer